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FISCAL AND OPERATIONAL REPORT **PROVIDED TO THE GOVERNOR AND LEGISLATURE** **PURSUANT TO NRS 695I.370(1)(B)** **DECEMBER 2013**

The Silver State Health Insurance Exchange is proud to offer this Fiscal and Operational Report, required pursuant to NRS 695I.370(1)(b), to the Governor, the Legislature and the public. It provides information regarding the activities of the Exchange as it prepared to educate and enroll individuals in Qualified Health Plans offered through the various enrollment mechanisms of the Exchange beginning October 1, 2013 with effective dates of coverage beginning January 1, 2014.

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WHAT IS THE SILVER STATE HEALTH INSURANCE EXCHANGE?

In June 2011, Senate Bill 440 (2011) was enacted, creating the Silver State Health Insurance Exchange, in response to the requirements of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (together referred to as the Affordable

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Care Act or ACA). A health insurance exchange is an on-line market place, or store, in which individuals can shop, compare and enroll in health insurance coverage. The ACA requires that all states establish an Individual Exchange and a Small Business Health Options Program (SHOP) Exchange by the end of calendar year 2013, or cede the operations of the Exchange to the federal Department of Health and Human Services (HHS). ACA health insurance exchanges are unique, when compared to private exchanges, in that the ACA exchanges are required to administer an Advance Premium Tax Credit to assist lower income individuals pay their insurance premiums. The Silver State Health Insurance Exchange opened as Nevada Health Link (NevadaHealthLink.com) on October 1, 2013, as required by federal regulation. Insurance coverage will begin no earlier than January 1, 2014.

Nevada recognizes the need to establish infrastructure and business processes that can effectively and efficiently enroll people in health coverage, as well as meet the myriad administrative requirements of the ACA. The creation of the Nevada Health Link yields numerous benefits to the State of Nevada and its citizens:

- A system designed by Nevadans for Nevadans. Nevada's decision to set up a state based exchange allowed our citizens to have direct input into the creation of Nevada Health Link. While there are thousands of pages of regulations that must be followed, the rules allow flexibility in key areas. Those states that ceded operations to the Federal Government must live with a product created thousands of miles away. Additionally, Nevada Health Link is staffed by Nevadans- from state staff in Carson City working hard to implement the policies provided by our Board, to programmers working in Reno to translate the policies into a useable web portal, to a 90+ call center operation in Henderson.
- Nevada business friendly. Because your fellow Nevadans are providing input to this process, we are creating policies that work for Nevada's small businesses. Policies include:
 - Consumer friendly design of the SHOP Exchange that limits adverse selection (a major cause of premium increases);
 - Choosing a free market facilitator approach that maximizes insurer competition on the Exchange;
 - Allowing brokers and agents to sell products on the Exchange;
 - Low cost operations that will save Nevadans on the Exchange approximately \$3 million per year, in the long run, when compared to the fees published for the Federal Exchange.
- Maintaining regulatory control over Nevada's insurance market. There were hundreds of decisions that had to be made as we transitioned into ACA era coverage. Your insurance regulators at the Division of Insurance know the Nevada market better than anyone else in the country. They have worked hard to shape policies that maintain the integrity of the market which keep premiums as low as possible. Additionally, the Division of Insurance ensures that Nevada's Navigators, Enrollment Assistants and Certified Application

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Counselors are properly trained, tested, background checked and certified to ensure Nevadans are protected.

- Ensuring Nevada's voice is heard. As your state officials worked to implement the requirements of the ACA, they poured over thousands of pages of Federal regulations and periodically come across portions of the regulations that could be detrimental to Nevada's market. Your state officials have been in constant communication with their counterparts at the Federal level to help shape regulations and ensure Nevada's voice is heard. In fact, Nevada was the first state to raise the alarm regarding a federal misinterpretation of the law that could have cost Silver State Health Insurance Exchange enrollees approximately \$15 million in 2014.

According to the Kaiser Family Foundation, in 2011 there were 588,000 uninsured Nevadans under the age of 65, representing 25% of that population. State staff estimates approximately two-thirds if these individuals are or will be eligible for Medicaid. The remaining third will be eligible for coverage through the Exchange. The state faces multiple challenges as it attempts to provide health care coverage to this population. These challenges include:

- Educating and enrolling the insurance eligible population;
- Expanding state services to absorb the Medicaid expansion;
- Increased provider demand and potential provider shortages; and
- Market disruption and potential adverse effects.

COLLABORATION WITH OTHER STATE AGENCIES

The collaboration of Nevada's various agencies has been impressive. Exchange implementation efforts were initially led by the Nevada Department of Health and Human Services and its Division of Health Care Financing and Policy. Once the Board was appointed and Exchange staff was hired in early 2012, the Exchange took over actual implementation activities but continued the legacy of communication, consensus building and team work that DHHS started. The Nevada departments and divisions that have worked hard to assist in the implementation of Nevada Health Link include:

- Department of Health and Human Services (DHHS)
 - Division of Health Care Financing and Policy (DHCFP)
 - Division of Welfare and Supportive Services (DWSS)
 - Consumer Health Assistance (GovCHA)
 - Division of Public and Behavioral Health
- Department of Business and Industry, Division of Insurance (DOI)
- Department of Administration
 - Division of Budget and Planning
 - Purchasing Division
 - Division of Enterprise IT Solutions
- Governor's Office

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- Attorney General's Office
- Public Employees' Benefit Program

GOVERNANCE

ACA Section 1321(b)(2) requires a state law or regulation be in effect that implements each state exchange. In Nevada, NRS Chapter 695I establishes the Exchange to:

1. Facilitate the purchase and sale of qualified health plans in the individual market in Nevada;
2. Assist qualified small employers in Nevada in facilitating the enrollment and purchase of coverage and the application for subsidies for small business enrollees;
3. Reduce the number of uninsured persons in Nevada;
4. Provide a transparent marketplace for health insurance and consumer education on matters relating to health insurance; and
5. Assist residents of Nevada with access to programs, premium assistance tax credits and cost-sharing reductions. (NRS 695I.200)

Additionally, the statute creates the Board of Directors (Board), establishes the Board's composition and duties, allows for the creation of advisory committees, requires the Board submit various reports, allows the Board to adopt regulations, provides staff and requires other state agencies to work with Exchange.

THE BOARD

In accordance with 45 CFR § 155.110(c), the State must ensure that the Exchange has in place a clearly defined governing board. The Board is responsible for creating and administering the Exchange. The Board has been tasked with developing the operations and business model for the Exchange and must perform all other duties required of the Exchange under the ACA. The Board may adopt such rules and regulations necessary to carry out the duties and powers of the Exchange. The Exchange is exempt from the requirements of the Nevada Administrative Procedures Act. (NRS 695I.370; 233B.039)

The Board consists of seven voting members and three non-voting members. The seven voting members must have expertise in the individual or small employer health insurance market, health care administration, health care financing or health information technology or administration of health care delivery systems, or have experience as a consumer of the Exchange services, or as a consumer advocate. The three non-voting ex-officio members are State executives who will provide advice and expertise as needed. (NRS 695I.300)

Of the seven voting Board members, five appointments to the Board were made by the Governor, one by the Speaker of the Nevada Assembly, and one by the Nevada Senate Majority leader. The Board members are:

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- Voting Members
 - Barbara Smith Campbell, Chair
 - Lynn Etkins, Vice-Chair
 - Judith P. Ford, MD
 - Leslie A. Johnstone
 - Marie Martin Kerr
 - Ronald M. Kline, MD
 - E. Lavonne Lewis
- Ex-Officio – Non-voting
 - Department of Administration, Jeff Mohlenkamp, Director
 - Director, Business and Industry
 - Scott Kipper, Commissioner of Insurance, (Director's Designee)
 - DHHS, Michael Willden, Director

Since our last report there have been 6 Board Meetings. The Board, required to meet at least once a calendar quarter, currently meets on a monthly basis as directed by the Chair or majority of members (NRS 695I.340). Board Meetings are held in Carson City and Las Vegas as well as streamed over the internet. All Board Meetings include time for public comment, discussion for possible action items, Advisory Committee updates, Executive Director's Report, etc.

STAFF

The Exchange started calendar year 2013 with nine filled positions. The Exchange staff currently consists of twelve full time employees and one vacant administrative assistant position. Four new positions were requested and approved in the Exchange's State Fiscal Year (SFY) 14/15 budget. A Training Specialist was hired in September 2013, a Benefit Manager was hired in July 2013, and a Quality Assurance Officer was hired in August 2013. An Administrative Assistant position was filled in October 2013. This brings the total employee count up to twelve-one of the leanest Exchange employee counts in the country. Pursuant to NRS 695I.380, all employees of the Exchange are in the unclassified service of the state.

ADVISORY COMMITTEES

The Board may appoint subcommittees and advisory committees with persons who have experience with or knowledge of matters related to health care (NRS 695I.350). The Board created the following five advisory committees to assist in making policy decisions regarding the establishment and operation of the Exchange:

- Financial Sustainability
- Plan Certification and Management
- Small Business Health Options Program (SHOP) Exchange
- Reinsurance and Risk Adjustment
- Consumer Assistance

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Each of the advisory committees include two Board members acting as chair and vice-chair and five to seven members of the public who have experience or knowledge relating to matters of concern to the committee.

The Board has approved 35 Advisory Committee recommendations. The following is a summary of approved Committee recommendations. For more detailed information, please see the [Committee Recommendations Approved by the Board](#).

A. Finance and Sustainability

1. Key Principles – Approved April 12, 2012
2. Budget – Expenditures – Approved April 12, 2012
3. Supplemental Revenue – Approved May 10, 2012
4. Tax Exemption on Exchange Fees – Approved June 14, 2012
5. Charge Carrier Based on Exchange Enrollment – Approved August 16, 2012
6. Finance and Sustainability Plan – Approved August 16, 2012

B. Plan Certification and Management

1. Key Principles – Approved April 12, 2012
2. Division of Insurance Conduct Rate Review – Approved April 12, 2012
3. Offering the different QHP's in the Individual and SHOP Exchanges – Approved September 13, 2012
4. Standardization of Plan Design Cost Sharing Benefits – Approved September 13, 2012
5. Number of QHP's Offered by each Carrier in a Given Tier – Approved September 13, 2012
6. Plan Certification Policy Review – Approved December 10, 2012
7. Accreditation – Approved December 10, 2012
8. Network Adequacy – Approved April 24, 2013
9. Plan Certification – Approved January 10, 2013
10. Aligning Service Areas – Approved February 14, 2013
11. Certification of Standalone Dental and Vision Plans – Approved March 14, 2013
12. Standalone Dental Plan Network Adequacy – May 9, 2013

C. Consumer Assistance

1. Outreach Strategy – Approved April 12, 2012
2. Types of Consumer Services for Enrollment – Approved April 12, 2012
3. Exchange Conducts Individual Billing – Approved September 13, 2012
4. Do Not Allow Exchange Enrollment in QHP's, Advance Premium Tax Credit and Cost Sharing Reductions through Brokers' Web-Based Systems – Approved October 11, 2012
5. Approve Plan for Enrollment and Eligibility Appeals – Approved December 10, 2012
6. Extend the Hours of Operation of the Call Center – Approved December 10, 2012

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7. Approve Plan for Navigators, Enrollment Assistants, and Producers - Approved December 10, 2012

D. Small Business Health Options Program (SHOP) Exchange

1. Key Principles – Approved April 12, 2012
2. Merging the Individual and Group Markets – Approved September 13, 2012
3. Offering the same QHPs in the Individual and SHOP Exchanges – Approved September 13, 2012
4. Standardization of Plan Design Cost Sharing Benefits – Approved September 13, 2012
5. Number of QHP's Offered by Each Carrier in a Given Tier – Approved September 13, 2012
6. Employer / Employee Purchasing Model – Approved September 13, 2012
7. Minimum Contribution and Participation Requirements – Approved September 13, 2012

E. Reinsurance and Risk Adjustment

1. Analysis of Nevada – Specific Factors for Risk Adjustment Model – Approved April 12, 2012
2. Administration of Risk Adjustment Program – Approved February 14, 2013
3. Administration of Reinsurance Program – Approved February 14, 2013

Although the initial policy work of the Advisory Committees is now complete, the committees may be reconvened to review and recommend changes and improvements to Nevada Health Link as information is gathered on live interactions with the web portal.

MARKET RESEARCH

Nevada has compiled a compendium of background research on the commercial insurance market, publicly-subsidized medical assistance programs, and the uninsured in the following reports:

- *An Overview of the Uninsured in the State of Nevada*, August 3, 2011, Public Consulting Group
- *An Overview of Nevada's Publicly-Subsidized Health Coverage Programs*, August 4, 2011, Public Consulting Group
- *An Overview of the Commercial Health Insurance Markets in Nevada*, August 8, 2011, Public Consulting Group
- *Tribal Interaction and Impact Assessment Report*, January 27, 2012, Public Consulting Group
- *Nevada Health Insurance Market Study*, March 2012, Gorman Actuarial, LLC
- *Summarized Results from Health Insurance Reports (DRAFT)*, April 23, 2012, Thomson Reuters
- *Actuarial Assessment of the Ten Benchmark Plan Options (DRAFT)*, June 2012, Aon-Hewitt

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- *Employee Vouchers: Brief Analysis of Options Available to the Silver State Exchange*, November 29, 2012, Public Consulting Group
- *Notice to Employees Concerning the Availability of the Silver State Exchange*, January 25, 2013, Public Consulting Group
- *Analysis of Tobacco Surcharge Options for the State of Nevada*, February 12, 2013, Milliman
- *Discussion of Functional Alternatives to Employer Vouchers*, March 11, 2013, Milliman
- *Analysis of Essential Health Benefits Actuarial Equivalents for the State of Nevada*, March 13, 2013, Milliman
- *Silver State Exchange Consumer Heuristics Report*, March 18, 2013, Public Consulting Group

The above reports include an overview of the applicable market segments and detailed information regarding:

- Detailed demographics;
- The regulatory environment and the number of carriers offering coverage in Nevada's individual and group insurance markets;
- Medicaid and Children's Health Insurance Program (CHIP) eligibility criteria;
- Enrollment in publicly-subsidized medical assistance programs;
- The State's rules and regulations;
- Relative costs of markets and the effects on markets in the new regulatory environment beginning 2014 and the effects on the various markets if the State were to make certain decisions; and
- Relative costs of various benchmark plans.

These reports will be updated on an on-going basis, as appropriate. The analyses will enable the State to refine its initial estimates of the number of people who may purchase coverage through Nevada Health Link, the impact on the Medicaid program from the expansion of eligibility to all non-elderly citizens with income up to 138% of the federal poverty level, the health status of those who may purchase coverage through Nevada Health Link, and the potential effect on the commercial markets, particularly the individual and small group markets, from the regulatory changes that will take effect in 2014.

CONSUMER AND STAKEHOLDER ENGAGEMENT AND SUPPORT

Nevada recognizes the importance of consulting with stakeholders on an ongoing basis throughout the research, development, and implementation stages of the Exchange. Developing an Exchange that meets the needs of Nevada's residents has been our highest priority, which is why stakeholder input has been a critical component of our planning efforts.

Since the beginning of 2011, Nevada has sought to engage stakeholders and the public through a series of community and individual meetings with a range of groups, including insurance carriers, tribes, brokers, consumer advocates, providers, and businesses. Additionally, Board and

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Advisory Committee Meetings have been instrumental to development of the various operating and planning documents that will provide the basic structure of the Exchange.

Meetings with Insurance Carriers – Exchange and DOI staff have been meeting with insurers every other week since March 2012 regarding various high level policies. Eleven group carrier onboarding meetings were held from February through June 2013 to assist carriers interested in offering Qualified Health Plans on Nevada Health Link with the process of meeting the technical requirements to place a QHP on the Exchange for sale. These group meetings have been replaced by one-on-one carrier meetings to assist with plans, financial requirements, IT issues, operations, etc. Each session includes ample time for question and answer sessions with Exchange and Xerox subject matter experts. Participants are encouraged to submit questions, comments and suggestions for upcoming meetings as well.

Meetings with Brokers – In July, Exchange staff began a series of meetings with brokers. These two hour question and answer style sessions have been most effective with approximately a dozen brokers. While concerns about Nevada Health Link remain, most brokers leave the sessions with a better understanding of Nevada Health Link and a brighter outlook on their future as an insurance producer.

Meetings with Tribes - Nevada's Tribal community plays a vital role in the development of the Exchange. There are 19 Federally recognized Tribes comprised of 28 separate Tribal bands, and community councils in Nevada. Representatives from the Indian Health Board of Nevada, the Washoe Tribal Health Center, and other tribal organizations have participated in the community stakeholder meetings. The Exchange has engaged the Tribes in the planning process, mainly through the Inter Tribal Council of Nevada, through a series of formal consultations.

All of these tasks have provided Nevada with a strong foundation for establishing an exchange that works for Nevada. Stakeholders continue to play a vital role in the implementation of the Exchange. Many of the stakeholders that provided input to the implementation and development of Nevada Health Link are not assisting in educating and enrolling Nevadans in insurance coverage through Nevada Health Link.

During the first half of 2013, staff presented to approximately 1,700 Nevadans and another 600 national exchange stakeholders in the following presentations. The following list represents another 52 presentations made by staff with approximately 2,300 stakeholders since July 1, 2013.

Date	Audience/Location	Attendees
July 9, 2013	Law offices of Lewis and Rocca	15
July 9, 2013	Congressional Staff for Senator Heller and Congressman Amodei	12
July 23, 2013	Small Business Administration	18
July 23, 2013	National Association of Women Business Owners	35
July 23, 2013	St. Mary's Regional Medical Center Community Board	20
July 24, 2013	Northern Nevada Medical Center	60

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Date	Audience/Location	Attendees
July 24, 2013	SHIP staff and volunteers	40
July 25, 2013	KXNT Radio Live Event	15
July 30, 2013	Owyhee Tribal Council and town of Owyhee	65
July 31, 2013	CSG-WEST Annual Meeting, Las Vegas, NV	100
August 7, 2013	Human Services Network	45
August 9, 2013	State of Nevada Rural Clinics (webinar)	74
August 12, 2013	International Women's Forum of Northern Nevada	20
August 27, 2013	AARP	18
August 28, 2013	Nevada Institute for Children's Research and Policy	38
August 28, 2013	Small Business Expo	200
September 3, 2013	Washoe County Democrats	31
September 4, 2013	North Las Vegas Small Business Owners	12
September 5, 2013	Clients of Clark and Associates	47
September 9, 2013	Pahrump Small Business Leadership	12
September 9, 2013	Pahrump Town Hall	15
September 10, 2013	CCAHO Breakfast Panel	90
September 10, 2013	Great Basin Primary Care Association	39
September 10, 2013	Nevada System of Higher Education (webinar)	32
September 10, 2013	CONVERGE, NADP Annual Conference	50
September 11, 2013	NNAHU Panel Discussion	70
September 11, 2013	Nevada Association of Counties	30
September 17, 2013	Bickford, Angier and Associates	31
September 18, 2013	Branch Benefit Summer Series	78
September 18, 2013	National Association of Insurance and Financial Advisors	92
September 18, 2013	NVSCPA Reno Chapter luncheon	60
September 18, 2013	In Touch Credit Union	16
September 19, 2013	NSCPA	50
September 19, 2013	North Valley Democratic Club	30
September 19, 2013	Nevada Business Group on Healthcare Retreat	125
September 23, 2013	ACA forum, North Las Vegas	50
September 24, 2013	Washoe County Medical Society ACA Panel Discussion	40
September 25, 2013	Association of Financial Professionals Luncheon	25
September 25, 2013	Minority Health Care Forum – Enroll in Affordable Health Coverage	25
September 26, 2013	New York Life	24
September 26, 2013	Institute of Management Accountants (IMA) Ranstad	50
September 26, 2013	RIMS Northern Nevada	18
September 27, 2013	Nevada's Center for Entrepreneurship Technology (NCET) EXPO	15
September 27, 2013	Nevada Guardianship Association	60
October 15, 2013	Young Democrats of UNR	37
October 18, 2013	Henderson Chamber of Commerce	41

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Date	Audience/Location	Attendees
October 28, 2013	Immunize Nevada Annual Meeting	175
October 30, 2013	Reno Kiwanis Club	18
November 13, 2013	Humboldt General Hospital	38
November 13, 2013	Battle Mountain General Hospital	24
November 14, 2013	Retired Public Employees of Nevada	36
November 18, 2013	Nevada Tribal Clinic Directors	27
November 18, 2013	Milan Institute	65
November 20, 2013	Women's Health UNLV	79
November 21, 2013	Small Business HCR Survival	16
November 21, 2013	Small Business Administration	12

The above meetings are in addition to the grass roots outreach effort conducted by KPS3 and other partner organizations discussed below.

MARKETING AND ADVERTISING – PRE-LAUNCH

Leading up to the initial launch on October 1, 2013, the Exchange continued to promote, market, and advertise to the public and other stakeholders the importance of health insurance, the existence of Nevada Health Link, and the various methods to become educated and prepared for the requirements to enroll in health coverage in 2014. The following statistics were gathered on our informational websites (both English and Spanish):

On NevadaHealthLink.com (July 1, 2013 through September 30, 2013):

- 110,819 visits
- 74,493 unique visitors
- 500,080 page views
- 4.51 pages per visit
- Average visit duration: 4:14 minutes

On EnlacedeSeguroMedicoNevada.com (July 1, 2013 through September 30, 2013):

- 8,686 visits
- 6,018 unique visitors
- 33,898 page views
- 3.9 pages per visit
- Average visit duration: 4:25 minutes

On October 1, 2013, NevadaHealthLink.com became the launch point for health insurance enrollment, and the informational site now lives under the portal on “About Us” and directs to info.nevadahealthlink.com. EnlacedeSeguroMedicoNevada.com became the launch point for health insurance enrollment for Spanish speaking Nevadans in early December.

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Additionally, the Digital Marketing Campaign leading up to October 1, 2013 drove many people to our website creating additional opportunities for education and outreach. Between July 1, 2013 and September 30, 2013, there were approximately 7.4 million impressions¹ driving over 10,000 clicks to our website. People watched approximately 575,000 minutes of video as well.

The Exchange's marketing vendor KPS3 also attended numerous events promoting Nevada Health Link and the need to enroll in health coverage. Between July 1, 2013 and September 30, 2013, the KPS3 outreach team was seen by more than 182,000 Nevadans, had nearly 20,000 one-on-one conversations, and distributed more than 189,000 pieces of literature.

MARKETING AND ADVERTISING – POST-LAUNCH

On October 1, the media messaging has shifted from education to a call-for-action to enroll in time for January 2014 coverage.



Since October 1, KPS3 outreach staff attended 295 events promoting Nevada Health Link and the need to enroll in health coverage. Their outreach team was seen by more than 198,000 Nevadans, had more than 5,000 one-on-one conversations, and distributed more than 109,000 pieces of literature.

Between October 1, 2013 and December 2, 2013, the digital campaign produced approximately 16.4 million impressions driving over 28,900 clicks to our website. People watched approximately 423,000 minutes of video as well.

KPS3 has continued its outreach and education with door-to-door campaigns. Ramirez Group and Mi Familia Vota were hired to conduct outreach through a door-to-door campaign in both northern and southern Nevada. The project began in November and will continue through March 2014. The organizations' efforts have been coordinated to ensure little to no overlap. For those homes at which no one answers, a Nevada Health Link door hanger is left, which includes information about the exchange and how to get help enrolling. Both organizations are also utilizing a lead-generation system to follow up with those individuals and families who would like to make enrollment appointments with a navigator



¹ Impressions are counted each time a Nevada Health Link ad is displayed on a webpage.

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organization. During the month of November, 35,166 homes were visited.

POST LAUNCH STATISTICS

From October 1, 2013 through December 14, 2013:

Website visits - 6.7 million
Unique Visitors - 636,000
Eligibility Determinations² - 111,277
 Medicaid/CHIP³ - 47,188
 QHP with APTC - 25,762
 QHP without APTC - 14,626
 Not eligible⁴ - 23,701
Confirmed Plan Selections⁵
 Medicaid/CHIP⁶ - 29,673
 QHP - 8,874
 Dental Plans - 13,078
Enrolled⁷
 QHP - 3,117
 Dental Plans - 3,559
Call Center Operations
 Calls Received - 75,939
 Correspondence Received – 7,013

NAVIGATORS, ENROLLMENT ASSISTERS AND CERTIFIED APPLICATION COUNSELLORS

The Exchange must have consumer assistance functions, including a Navigator program, and must refer consumers to consumer assistance programs in the State when available and appropriate.⁸ Section 1311(i)(3) of the ACA states Navigators will “facilitate enrollment in qualified health plans” offered by the Exchange and “provide information in a manner that is culturally and linguistically appropriate to the needs of the population being served by the

² These numbers count individuals, not families. A family of three would be counted as three because, depending on income and other eligibility factors, the individual family members can be counted in different categories.

³ Only includes those who applied through NevadaHealthLink.com. It does not include those who enroll directly through the Division of Welfare and Supportive Services.

⁴ “Not Eligible” includes (1) individuals who are not seeking coverage for themselves but are part of a family with members who are seeking coverage and (2) those who are not eligible due to legal presence status or incarceration.

⁵ Most other states report “Confirmed Plan Selections” as enrollment and send all of these applicants to the insurance carriers to effectuate enrollment. Nevada does not send enrollments to the carriers until payment is made to Nevada Health Link.

⁶ Only includes individuals who enroll in Medicaid or CHIP through Nevada Health Link. It does not include those who enroll directly with the Division of Welfare and Supportive Services. Additionally, this number does not represent the number of family applications, but rather, it represents each individual person who enrolls in Medicaid.

⁷ Represents individuals for whom Nevada Health Link has received payment. Most states do not receive payment as report confirmed plan selections as enrollment.

⁸ 45 CFR § 155.205(d)

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Exchange”. Navigators in the Exchange will complement the services provided by Producers by facilitating the enrollment of non-traditional populations that typically do not purchase insurance. These groups include people who are eligible for publicly funded health care (CHIP and Medicaid) and those individuals who do not have the means or ability to travel to a producer (Native Americans living on reservations, rural ranchers, farmers and persons with disabilities). Navigators will serve an important role in educating and enrolling individuals and groups that typically will not enroll unless called upon.

To keep fees charged by the Exchange at a minimum and ensure that the Exchange can reach and enroll the uninsured consumers in Nevada, the Exchange will utilize a classification of in person assistance called Enrollment Assistants. Enrollment Assistants in the Exchange will complement the services provided by Producers and Navigators by facilitating the enrollment of non-traditional populations that typically do not purchase insurance. These groups include people who are eligible for publicly funded health care (CHIP and Medicaid) and those individuals who do not have the means or ability to travel to a producer (Native Americans living on reservations, rural ranchers, farmers and persons with disabilities). Enrollment Assistants will serve an important role in educating and enrolling individuals and groups that typically will not enroll unless called upon.

The Exchange must certify staff and volunteers of Exchange designated organizations and organizations designated by state Medicaid and CHIP agencies.⁹ These Certified Application Counselors (CACs) will perform many of the same functions of enrollment assistants. It is thought that CACs will largely be utilized in hospitals to enroll patients in insurance so that the next time the patient returns to the hospital, he or she will be protected by a health insurance policy. However, CACs may be part of any organization that wishes to assist individuals enroll in insurance.

Individuals who enroll qualified individuals, qualified employers and their employees in a QHP in the Exchange and who do not hold a Producer license with the Nevada Division of Insurance (DOI) must hold an Exchange Enrollment Facilitator (EEF) Certification issued by the DOI. This requirement applies to Navigators, Enrollment Assistants and CACs. Certification requires a 20 hour health insurance course, pre-test, test (with an 80% pass requirement), Federal background check and application.

The Exchange has Navigator/Enrollment Assistant agreements in place with the following organizations:

- Inter-tribal Council of Nevada (ITCN) (Statewide)
- Ramirez Group (Statewide)
- Great Basin Primary Care (Northern Nevada)
- Consumer Assistance and Resource Enterprise (CARE) (Southern Nevada)
- East Valley Family Services (Southern Nevada)
- Latin Chamber of Commerce Community Foundation (Southern Nevada)

⁹ 45 CFR § 155.225, [Federal Register, Vol. 78, No. 14, Tuesday, January 22, 2013, Proposed Rules, pp. 4594-4724](#)

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As of December 2014, there are 17 Navigators, 55 Enrollment Assistants, and 77 Certified Application Counselors certified by the DOI and appointed by Nevada Health Link to enroll individuals, families, and employers in the Exchange. There are also 1,562 Brokers and Agents appointed by Nevada Health Link to date.

TRANSITION FROM IMPLEMENTATION TO OPERATIONS

NevadaHealthLink.com successfully went live on October 1, 2013 at 8:17 am PST. The 17 minute delay was caused by a last minute plan data synchronization process to ensure that all plan data updated the night before was included in the operational platform. The system ran fairly smoothly for about a half hour to hour. However, high web traffic (we received 4,582 unique visitors in the 9:00 am hour, 6,040 unique visitors in the 10:00 am hours and 4,528 unique visitors in the 11:00 am hour) and a coding error that did not allow each of our ten servers to share in an equal load of the web traffic caused the account creation functionality to shutdown intermittently. At approximately 1:00 pm, a hot fix was deployed to fix the problem. A similar issue, much less frequent than the first, was fixed overnight.

Call volume was also excessive on October 1. In the first 4 hours of operations, the call center received 947 calls; the average time on each call was approximately 23 minutes. A firewall issue prevented us from transferring calls to our overflow call center for most of the morning causing excessive wait times. By the afternoon, the firewall issue was fixed reducing the abandonment rate to 1.8%, and time to answer to about 30 seconds.

Overall, reaction to the opening seemed to be positive. While there was some frustration with individuals trying to access the site or the call center in the morning, most of our consumers were very patient and pleased with their options.

The Federal Data Services Hub appears to be operating as advertised and near real time during low volume times. During high volume periods we experienced a large number of timeouts in the first few weeks of operation. If a person is kicked out due to a timeout, they can log back in and pick up in the application where they left off, usually with the Hub's response. From October 11 through November 25, approximately 94.4% of all Hub requests were successfully returned.

The information exchanges between the front end Nevada Health Link portal and the back end eligibility engine are working well. In November, 98.5% of all Medicaid applications were successfully received by DWSS. Nightly database comparisons catch the missing applications which are then sent over in batch. With each passing day, this process improves. The Exchange, DWSS, Xerox and Deloitte are working well together to resolve issues in a coordinated fashion using scheduled builds, usually on Wednesdays between 10:00 pm and 2:00 am.

Since the initial launch of Nevada Health Link's web portal, there have been numerous challenges requiring constant validation, troubleshooting, development of solutions, testing, and

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release into production. Many of these issues surround the user experience, long wait times connecting to Customer Service Representatives (CSRs) at the Nevada Health Link call center, including plan display issues, and errors that display as consumers, brokers, and assisters navigate through the system. Weekly system updates have been developed and implemented, and our vendor has hired additional call center staff to meet increased demand.

Nevada Health Link is not associated with the Federally Facilitated Marketplace, healthcare.gov. However, nightly national news of poor operations at healthcare.gov created a perception that the system was not working and kept a number of consumers away from NevadaHealthLink.com in October and November. Once healthcare.gov was deemed “fixed” on December 1, Nevadans began to flock to NevadaHealthLink.com. One-third of our web traffic since October 1 occurred in the first two weeks of December. Call volume and the length of calls increased significantly immediately following December 1 causing long wait times, dropped calls and busy signals.

Nevada Health Link recognized an immediate need to increase call center capacity. In November, there were 36 CSRs. Fifteen CSRs were added in the first two weeks of December. In the third week of December, approximately 35 additional staff were added bringing the total number of CSRs answering calls to approximately 80. The number of trunk lines taking calls was doubled and other improvements were made, reducing the number of people who receive busy signals.

There are three general errors that have frustrated consumers- the pink error, the white screen and the unresolvable error. The pink error is a message, highlighted in pink, indicating that the system cannot take the application at this time. Consumers get the pink error when the eligibility engine, provided by the Division of Welfare and Supportive Services is not available. The white error is simply a white screen with no text or buttons. Consumers received the white error during the first two weeks of December, but the error was fixed and should no longer affect consumers. The unresolvable error is the catch-all message that occurs when the system cannot proceed due to delays, errors or data mismatches. Often, unresolvable errors are caused by system delays during high system use, unavailability of the Federal Data Services Hub, data provided by the consumer in an unexpected format and other reasons. The development team continues to triage and eliminate these errors as they are reported.

Brokers and navigators have had difficulties using the broker/navigator dashboard. Due to a delay in the issuance of account setup codes, brokers and navigators began using the broker/navigator portal in late October. In mid-November, some brokers and navigators reported that information in their accounts was overwritten by information from some of their clients. Ultimately, developers identified approximately 50 broker/navigator accounts that were affected by this error and confirmed that personally identifiable information was not compromised. Due to this and other issues, on December 9, 2013, staff sent out a recommendation to all brokers and assisters to migrate from their dashboard to individual accounts only. We intend to redesign the broker/navigator portal to eliminate the issues discussed above and to allow management of brokers and navigators by their employers.

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Due to incorrect eligibility determinations and plan display issues that occurred earlier in open enrollment, we performed a reset of eligibility for all applicants who had not confirmed their plan selection at the end of November. Those applicants who confirmed their plan selections prior to the reset will be redetermined and a special enrollment period will be available to allow them the opportunity to select a different plan.

We are preparing for appeals in January due to some consumers' difficulties enrolling in a health insurance plan by the December 23, 2013 deadline to have coverage by January 1, 2014. The preparation includes the addition of system tools that will allow CSRs to override system enrollment requirements and training for call center and quality assurance staff. It should be noted that the deadline to enroll in health coverage and avoid the individual mandate penalty is March 31, 2014.

There have been a lot of complaints regarding carrier networks, mostly from doctors and hospitals. Most of the issues were the result of miscommunication between the providers and the insurance carriers. For instance, insurance carriers can lease networks. If the contract is between the network and the hospital, the hospital may not know that the consumers of specific insurance carrier can use that hospital at in-network rates. This issue will be resolved once consumers are issued their insurance cards, or earlier through communication between the provider and insurance carrier. Another issue was caused by Nevada Health Link's receipt of incomplete data sets for the on-line provider directory causing networks to appear to be smaller than they actually are. This issue will be resolved on January 1. Finally, providers have indicated that addresses and other demographic data are incorrect. This is a result of incorrect national data sets that must be kept up to date by the provider. Staff is in communication with the Nevada State Medical Association to resolve these issues.

Despite these issues, we are confident that the decision to operate a state based exchange was the correct decision. Enrollment as a percentage of the uninsured is among the highest in the nation. While many challenges remain, we have a dedicated team of staff and contractors working around the clock to improve the user experience, accuracy and system stability. We will never be satisfied with "good enough" and strive for continued improvement.

FINANCE

The Exchange budget for SFY 2013 through 2015 has been approved by the Legislature. The Exchange's business plan includes expense and revenue estimates, organizational charts, and policies and procedures for the Exchange, including but not limited to waste, fraud and abuse policies. Cost areas include:

- Staff salaries and benefits;
- General operating administrative services (travel, supplies, rent, etc.);
- Consultants and professional support (actuarial, audit, general consulting);
- Information technology and communication;
- Navigators and Enrollment Assistants;
- Marketing and outreach;

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- Eligibility, enrollment and premium billing services (design, development and implementation; maintenance and operating); and
- Enrollment appeals and hearings.

Some of these functions have been outsourced and others are performed in-house. The Exchange has the following contracts:

Vendor	Contract #	Description	Contract Period	Contract Authority	Spent to Date	Balance Remaining
Xerox	13561	Business Operations Solution	8/14/12 - 12/31/16	\$ 71,963,299	\$ 10,753,299	\$ 61,210,000
Public Consulting Group	13643	Independent Verification and Validation	08/17/12 - 01/31/14	\$ 1,518,880	\$ 691,769	\$ 827,111
Public Consulting Group	13848	Consulting and Actuarial	11/13/12 - 12/31/14	\$ 500,000	\$ 143,760	\$ 356,240
Milliman, Inc.	13849	Consulting and Actuarial	11/13/12 - 12/31/14	\$ 500,000	\$ 70,360	\$ 429,640
CSG Government Solutions	13847	Consulting and Actuarial	11/13/12 - 12/31/14	\$ 500,000	\$ -	\$ 500,000
KPS3 Inc.	13950	Marketing and Outreach Services	01/08/13 - 03/31/14	\$ 6,000,000	\$ 2,463,658	\$ 3,536,342

NRS 695I provides for several financial management functions, including:

- Advance from the State General Fund – If it is determined that expenses exceed the amount of money available due to a delay in the receipt of funds from federal grants or other sources, the Exchange may request an advance from the Director of the Department of Administration in an amount not to exceed 25% of the expected revenues for the fiscal year. Any advance must be paid back to the State General Fund no later than August 31 immediately after the end of the fiscal year. (NRS 695I.510)
- Exemption from State Administrative Rules – The Board may adopt such rules and regulations necessary to carry out the duties and powers of the Exchange. The Exchange is exempt from the requirements of the Nevada Administrative Procedures Act. (NRS 695I.370; 233B.039)
- Receipt of other funds – The Exchange may apply for and accept any gift, donation, bequest, grant, or other source of money to carry out the duties and powers of the Exchange or the Board. (NRS 695I.210(2))

The Exchange leverages the various resources of other State agencies and other State agencies will utilize some of the Exchange services. The Exchange continues to review operational activities to determine which activities are allocable thorough various federal programs, including Medicaid and Nevada Check Up. Cost allocation recommendations have taken into consideration State Medicaid Director Letters released on this particular topic as well as foundational cost allocation plan regulations and guidance, including OMB A-87, ASMB C-10, OGAM 98-2 and the DCA Best Practices Review Guide. Therefore, the Exchange, in coordination with DHHS has developed a cost allocation plan to account for these shared and

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leveraged services. The cost allocation plan has been approved by CMS and can be found in the latest version of the Exchange's Advance Planning Document.

Grant funding was used to conduct a comprehensive assessment of the State's ability to support the Exchange, including assumption development and budget forecasting. Grant funding will continue to support development tasks associated with the financial management work plan through December 2014. Due to the cost overruns caused by the added CMS requirements, the Exchange requested and received a fourth Level I Establishment Grant of approximately \$11 million. Additionally, staff have requested a fifth Level I Establishment Grant of approximately \$16 million to continue the security assessments, eligibility engine upgrades, and interface the BOS with SNAP and TANF programs.

FUNDING

The chart below represents the funding established for SFY14 which consists of funding from the First, Second, Third, Fourth Level I Grants, the Level II Grant, and revenue from Fees – as of 11/30/2013.

Current SFY 2014 Budget															
		Appropriations	Federal Receipts	Federal Receipts	Federal Receipts	Federal Receipts	Federal Receipts	QHP Fees	Dental Plan Fees	Advertising Fees	Transfer From DHCFP				
		GL 42	GL 3501	GL 3502	GL 3507	GL 3508	GL 3509	GL 3601	GL 3602	GL 3604	GL 4672	Budget	Total	Percent	
		GF Adv	2nd LI	3rd LI	1st LI	Level II	4th LI				IT Cost Alloc.	Total	Expended YTD	Expended	
Revenue		750,000	2,462,785	2,871,669	145,270	22,580,421	9,020,798	3,504,981	21,240	18,750	501,254	41,877,168			
Expenditures															
Cat 01	Personnel	-	-	-	-	1,140,597	-	-	-	-	11,344	1,151,941	377,669	33%	
Cat 02	Out-of-State Travel	-	-	-	-	32,376	-	-	-	-	-	32,376	(654)	-2%	
Cat 03	In-State Travel	-	-	-	-	35,481	-	-	-	-	-	35,481	654	2%	
Cat 04	Operating	-	-	-	-	129,762	-	-	-	-	-	129,762	71,436	55%	
Cat 26	Information Services	-	-	1,504	-	19,816	-	-	-	-	-	21,320	10,749	50%	
Cat 30	Training	-	-	-	-	7,488	-	-	-	-	-	7,488	-	0%	
Cat 70	Contracting/Consulting	-	-	2,285,165	45,644	17,110,189	-	-	-	-	489,673	19,930,671	2,543,163	13%	
Cat 71	Navigators	-	-	-	-	-	-	370,000	-	-	-	370,000	93,948	25%	
Cat 72	Fourth Level One	-	-	-	-	-	6,032,708	-	-	-	-	6,032,708	473,701	8%	
Cat 73	Transfer to AG	-	-	-	-	68,400	-	-	-	-	-	68,400	-	0%	
Cat 74	Transfer to GovCha	-	-	-	99,626	343,406	-	-	-	-	-	443,032	134,042	30%	
Cat 75	Transfer to Welfare	-	2,462,785	585,000	-	3,687,494	2,988,090	-	-	-	-	9,723,369	1,035,945	11%	
Cat 82	DHRM Cost Allocation	-	-	-	-	5,412	-	-	-	-	-	5,412	2,706	50%	
Cat 85	QHP Reserve	-	-	-	-	-	-	3,134,981	21,240	18,750	237	3,175,208	-	0%	
Cat 90	GF Advance	750,000	-	-	-	-	-	-	-	-	-	750,000	-	-	
	Total Expenditures	750,000	2,462,785	2,871,669	145,270	22,580,421	9,020,798	3,504,981	21,240	18,750	501,254	41,877,168	4,743,358	11%	

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ACRONYMS

ACA	Affordable Care Act
AG	Attorney General
APTC	Advance Premium Tax Credit
Board	Board of Directors of the Silver State Health Insurance Exchange
BOS	Business Operations Services
CAC	Certified Application Counselor
CCIO	CMS Center for Consumer Information & Insurance Oversight
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare and Medicaid Services
DHCFP	Department of Health and Human Services, Division of Health Care Financing and Policy
DHHS	Nevada Department of Health and Human Services
DHRM	Division of Human Resource Management
DOI	Division of Insurance
DWSS	Division of Welfare and Supportive Services
EE	Eligibility Engine
EEF	Exchange Enrollment Facilitator
Exchange	Silver State Health Insurance Exchange
GF	General Fund
GovCHA	Department of Health and Human Services, Division of Consumer Health Assistance (formerly, the Governor's Office of Consumer Health Assistance)
HCR	Health Care Reform
HHS	U.S. Department of Health and Human Services
I-APD	Initial Advanced Planning Document
IT	Information Technology
IV&V	Independent Verification and Validation
NRS	Nevada Revised Statute
PMP	Project Management Plan
PMPM	Per Member Per Month
QHP	Qualified Health Plan
RAC	Requirements and Configuration sessions
RFP	Request for Proposal
RTM	Requirements Traceability Matrix
SFY	State Fiscal Year
SHOP	Small Business Health Options Program
UAT	User Acceptance Testing